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**Testimony of Kerry O'Neill, President of Earth Markets, LLC**  
**Appropriations and Energy & Technology Committees Public Hearing May 20, 2010**

Good afternoon and thank you for the opportunity to address the Appropriations and Energy & Technology Committees regarding the ARRA Energy Efficiency and Conservation Block Grant program. My name is Kerry O'Neill, President of Earth Markets, a Connecticut-based social venture that develops community-based residential energy efficiency projects.

The Energy Efficiency and Conservation Block Grant monies were and are a unique opportunity for Connecticut's cities and towns. These funds should act as a force multiplier when combined with other funding sources, and they should be a down payment on long term energy plans.

**I'd like to propose some recommendations for your consideration:**

**Accountability** – the committees could conduct hearings to learn how OPM, Energy Conservation Management Board (ECMB), Connecticut Clean Energy Fund (CCEF), DSS, DECD, CDA et al are working together to maximize the state's current funding.

**Future Planning** – Create a standing body – perhaps a Grant Opportunity Task Force – that is ready to respond to upcoming federal energy grant opportunities and is also a place for the public to come propose innovative ideas for responding to grant requests.

Last year we came before this committee and recommended formation of a Municipal Energy Stimulus Workgroup to ensure that municipalities had all the necessary information and tools to effectively plan, apply for and implement EECBG funds. As we indicated at the time, this was the approach being taken by leading states, in an effort to ensure their states secured maximum benefits from all available ARRA programs. At the time, our hope was **that EECBG and other stimulus/ongoing funding opportunities would be maximized and best practices were shared across the state** – from program design, to implementation, to ongoing measurement & verification of outcomes. We believed, and still believe, that this was **an excellent opportunity to look at projects/programs in an objective way, studying what worked, what didn't, and why**. In that way, we could be **thinking strategically – as a state and as community of practitioners – beyond the stimulus funding**.

While we are disappointed that all the various state entities involved in energy have not come together in a formal way to seize upon this catalytic opportunity, we are grateful for the pockets of coordination and cooperation that have occurred on discrete initiatives.

We also wanted to take this opportunity to draw attention to the various funding opportunities that we've been tracking and **suggest a way that stakeholders might gauge the state's overall effectiveness in maximizing funding opportunities**. Table 1 below may serve as a template for further exploration of tracking mechanisms. It is not meant to be a comprehensive list of all federal funding opportunities, but is illustrative of the major DOE opportunities relating to energy efficiency.

The themes of the competitive grants include innovation, broad-based collaborative partnerships, financing and leverage, community & behavior, and monetization of energy efficiency with specific

reference of white tags, forward capacity markets and carbon offsets – an area that CT is uniquely qualified to compete and win. Some highlights from the table below include:

- **Competitive EECBG Retrofit Ramp-Up Program:** Topic 1 (for states and cities) announced 4/22/10, awaiting announcement of Topic 2 (for smaller communities)
  1. **No Topic 1 apps in CT – See the map on p.4 of the 25 winners sharing \$452 million.** This was a HUGE missed opportunity for the state. Property Assessed Clean Energy (PACE) financing was the big winner here.
  2. **2 CT Topic 2 apps**, including submission by CCEF on behalf of the Neighbor-to-Neighbor Energy Challenge, a program designed and convened by Earth Markets with a consortium of 14 towns and a broad-based set of program partners including CT Energy Efficiency Fund (CEEFF) and Clean Water Fund – **gained the support of the entire CT Congressional Delegation**
- **SEP Competitive “Strengthening Building Retrofit Markets” Grant**, due 5/24/10
  1. CEEFF program administrators CL&P and UI are working on a proposal for the ECMB. What does the proposal look like? **Does it meet the criteria for collaborative partnering, leverage, financing, innovative marketing strategies, new structures, etc.?**
- **Weatherization Innovation Pilot Grants**, due 6/2/10
  1. This is looking for new delivery models and highlights partnerships, sustainable strategies (grant leverage), community-based strategies, behavior, monetization like offsets/white tags/forward capacity markets
  2. **Is anybody in CT applying?**

Also included on pages 5-6 is a DOE printout of awards and payments by state (graciously provided by a DOE contact, as of yesterday, May 19<sup>th</sup>, 2010). This covers the ARRA formula grants for EECBG, SEP and Weatherization and indicates the total amount awarded (indicated in columns/sections marked “Obligation”) and how much of the award has been paid to states.

I thank you for your time today and the opportunity to address the members of this committee.

**Table 1. CT Tracking Template for Department of Energy ARRA and Other Funding Opportunities**

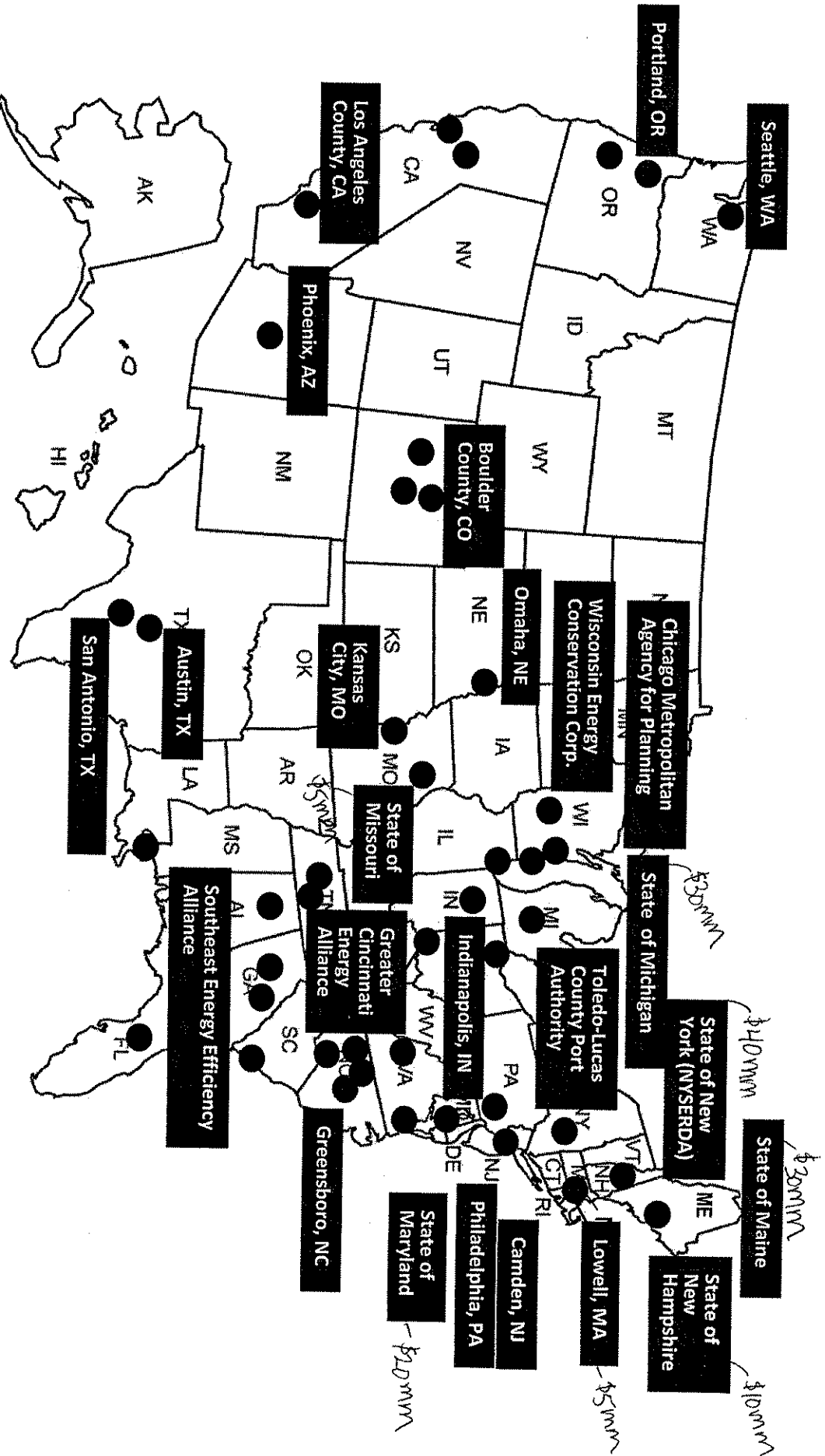
DOE Program	Grant Name	Total \$'s Avail.	# of Awards Avail.	Purpose	CT Org.(s) Applying	CT Award Made?	Notes
ARRA / EECBG	Direct formula grants to cities	\$14.9 million	26		Largest CT cities	Yes	Did all cities draw down their funds? If not, why not?
ARRA / EECBG	Direct formula grant to state for use by non-formula grant towns	\$9.6 million	1		OPM	Yes	\$8.6 million allocated to smaller towns, remainder available for regional bonus pool
ARRA / SEP	Formula grant to state	\$38.5 million	1		OPM	Yes	According to DOE, 30 states used grant dollars to seed some sort of loan program
ARRA / Weather-	Formula grant	\$64.3	1		DSS	Yes	Some portion of CT's Weatherization formula

ization	to state	million					grant was allocated to DECD
ARRA / Qualified Energy Conserv. Bonds (QECBs)	Formula grant to cities / state	???	???		Not sure who – perhaps CDA?	Yes	What types of projects are being done with these bonds? Are cities getting the technical assistance they need?
ARRA / EECBG	Competitive Retrofit Ramp- Up / Topic 1	\$452 million	25 awards, \$5 to \$40 million	For larger cities and states; Focus on deep penetration of neighborhood / community retrofits	NONE	No	Financing, leverage and collaborative partnerships were the theme, PACE was a big winner
ARRA / EECBG	Competitive Retrofit Ramp- Up / Topic 2	\$64 million	15 to 60 awards of \$1 to \$5 million	For communities under 35K (or a state, if money allocated to smaller communities); focus on innovation, partnerships, financing	CCEF (see note); perhaps 1 other?	TBD	CCEF applied for a \$4.2 million grant on behalf of the Neighbor-to- Neighbor Energy Challenge – a collaboration between 14 CT towns <sup>1</sup> and a public / non-profit / for- profit / academic partnership <sup>2</sup>
SEP	Competitive – Strengthening Building Retrofit Markets	\$23 to \$26 million	Approx. 10 awards of \$2 to \$5 million each	Transform regional resi or comm'l retrofit markets for whole-house or building retrofits, with a focus on removing barriers to widespread consumer adoption	ECMB (via utility program admins. CL&P / UI)	TBD	Due 5/24/10, emphasis on innovation, overall grant leverage, financing w/ private leverage of capital (including PACE), collaboration with broad range of public, private partners
Weather- ization	Competitive – Weatherization Innovation Pilot Program	\$30 million	10 to 15 awards, \$3 million max.	New providers and collaborative partnerships, leveraging funds, new technology, behavior and community strategies, reduced costs to deliver program	???	TBD	Due 6/2/10

<sup>1</sup> Bethany, Cheshire, East Haddam, East Hampton, Glastonbury, Lebanon, Mansfield, Portland, Ridgefield, Weston, Westport, Wethersfield, Wilton, and Windham

<sup>2</sup> Connecticut Clean Energy Fund, Connecticut Energy Efficiency Fund, Clean Water Fund, Earth Markets, Efficiency 2.0, Massachusetts Institute of Technology, Student Conservation Association, SmartPower, and AFC First Financial

Competitive E&C86 - Topic 1 4452 mm awarded  
Retrofit Ramp-Up: Selected Projects\*



\* Some projects include more than one participating city

April 21, 2010

**U.S. Department of Energy**  
**ARRA544 Recovery Act - OWP Spending by State**

Data is as of 5/19/2010 12:16:17 AM  
Award Balances only include Grants.  
Obligation amounts are from the Energy accounting system and are not intended to represent the state allocations.

State	OWP Obligation	OWP Payments	OWP % Paid	OWP MTD Payments	Obligation			Payments			% Paid		MTD Payments	
					Total EECBG	Total SEP	Total WAP	Total EECBG	Total SEP	Total WAP	EECBG SEP	Total WAP	Total EECBG	Total WAP
AK	70,612,880	1,064,985	1.5%	245,425	24,238,300	28,232,000	18,142,580	1,064,985	0	0	4.4%	0.0%	245,425	0
AL	157,316,899	16,363,806	10.4%	1,091,108	29,946,300	55,570,000	71,800,599	2,061,314	479,247	13,823,245	6.9%	19.3%	66,931	992,453
AR	107,025,415	13,265,285	12.4%	1,294,762	19,495,000	39,416,000	48,114,415	1,169,459	1,575,082	10,520,764	6.0%	4.0%	38,454	1,150,361
AS	28,863,011	490,607	1.7%	0	9,593,500	18,550,000	719,511	5,480	385,818	99,309	0.1%	2.1%	0	0
AZ	218,992,328	13,041,322	6.0%	769,531	97,453,900	55,447,000	66,091,428	2,006,313	1,353,074	9,661,935	2.1%	2.4%	316,748	357,783
CA	760,427,817	69,098,589	9.1%	6,494,469	348,523,756	226,093,000	185,811,061	24,595,487	25,916,956	18,586,125	7.1%	11.5%	2,920,777	96,926
CO	196,168,013	21,571,371	11.0%	93,809	67,414,800	49,222,000	79,531,213	5,398,373	2,551,582	13,623,416	8.0%	5.2%	93,909	0
CT	127,413,002	20,947,731	16.4%	510,600	24,560,500	38,542,000	64,310,502	1,439,534	10,747,695	8,760,503	5.9%	27.9%	17,658	0
DC	41,504,522	2,970,626	7.2%	1,613,456	9,593,500	22,022,000	9,889,022	2,761	137,317	2,830,548	0.0%	0.6%	882	38,858
DE	53,883,368	5,910,004	11.0%	6,679	15,918,700	24,231,000	13,733,668	1,046,358	738,618	4,125,027	6.6%	3.0%	0	4,196
FL	467,676,374	49,501,164	10.6%	4,542,670	165,602,900	126,089,000	175,984,474	9,844,063	14,416,729	25,240,372	5.9%	11.4%	870,741	20,745
GA	273,279,972	41,582,430	15.2%	548,712	66,028,660	82,495,000	124,756,312	2,539,037	540,114	38,503,278	3.8%	0.7%	68,729	-0
GU	28,810,797	858,145	2.9%	29,507	9,593,500	19,098,000	1,119,297	0	786,174	71,970	0.0%	4.1%	0	25,046
HI	45,039,661	1,341,977	3.0%	109,984	15,068,200	25,930,000	4,041,461	0	587,153	754,824	0.0%	2.3%	0	57,583
IA	141,089,311	16,374,399	11.5%	471,848	19,708,900	40,546,000	80,834,411	1,024,229	387,543	14,862,627	5.2%	1.0%	82,972	0
ID	76,032,186	23,821,935	31.3%	1,296,334	17,118,257	28,572,000	30,341,929	1,861,243	7,179,925	14,760,766	11.0%	25.1%	45,441	391,348
IL	455,856,538	38,010,908	8.3%	5,049,061	112,008,919	101,321,000	242,526,619	4,653,719	793,782	32,563,407	4.2%	0.8%	605,079	124,674
IN	242,706,055	27,220,674	11.2%	3,245,778	42,237,672	68,621,000	131,847,383	2,507,143	471,056	24,242,475	5.9%	0.7%	200,091	471,056
KS	120,240,071	17,954,855	14.9%	551,816	25,514,300	38,284,000	56,441,771	1,572,201	1,538,904	14,843,750	6.2%	4.0%	330,104	64,905
KY	148,583,250	12,686,547	8.5%	882,040	25,136,500	52,533,000	70,913,750	721,105	2,426,183	9,539,259	2.9%	4.6%	166,348	389,785
LA	154,996,178	13,100,824	8.5%	36,072	32,644,700	71,694,000	50,667,478	726,756	477,931	11,896,137	2.2%	0.7%	20,964	0
MA	218,014,017	40,620,550	18.6%	393,391	41,025,660	54,911,000	122,077,457	2,692,122	6,073,637	31,854,791	6.6%	11.1%	86,610	253,764
MD	165,505,918	9,780,636	5.9%	642,791	52,292,173	51,772,000	61,441,745	744,755	1,525,096	7,510,765	1.4%	2.9%	131,473	0
ME	83,276,496	16,497,344	19.8%	218,693	14,036,481	27,305,000	41,935,015	903,941	4,000,000	11,593,403	6.4%	14.6%	218,693	0
MI	400,189,182	31,752,500	7.9%	3,682,663	74,755,207	82,035,000	243,398,975	5,218,796	1,976,603	24,557,100	7.0%	2.4%	245,279	147,441
MN	224,593,511	48,342,311	21.5%	4,519,139	36,484,100	54,172,000	131,987,411	6,417,929	5,327,658	36,596,724	16.7%	9.8%	246,850	637,428
MO	249,335,770	22,215,376	8.9%	679,311	63,794,743	57,993,000	128,148,027	4,249,231	606,864	17,359,281	6.7%	1.1%	616,870	50,940
MP	29,039,706	305,945	1.1%	40,791	9,593,500	18,651,000	785,206	0	243,253	62,692	0.0%	1.3%	0	33,911
MS	106,782,193	19,342,292	18.1%	509,638	16,943,000	40,418,000	49,421,000	2,236,034	1,121,156	15,985,101	13.2%	2.8%	80,943	261,910
MT	67,613,477	9,667,595	14.3%	1,406,769	15,214,700	25,685,000	26,543,777	439,045	2,253,277	6,675,273	2.9%	8.7%	58,697	143,851
NC	271,020,036	30,246,177	11.2%	2,326,541	63,076,500	75,989,000	131,954,536	2,239,161	6,087,356	21,919,661	3.5%	8.0%	160,226	56,475
ND	62,669,330	7,707,611	12.3%	0	12,818,000	24,585,000	25,266,330	309,816	231,721	7,166,073	2.4%	0.9%	0	0
NE	91,709,227	6,964,061	7.6%	718,983	19,154,769	30,910,000	41,644,458	1,089,966	460,152	5,413,944	5.7%	1.5%	105,806	39,962
NH	65,994,095	8,397,456	12.7%	24,382	16,946,501	25,827,000	23,218,594	1,469,686	674,203	6,253,567	8.7%	2.6%	24,382	0
NJ	261,446,829	18,514,497	7.1%	411,360	66,982,533	73,643,000	118,821,236	4,413,690	0	14,100,808	6.4%	0.0%	411,360	0
NM	80,595,104	8,380,873	10.4%	716,139	21,918,500	31,821,000	26,865,604	415,680	2,997,804	4,967,409	1.9%	9.4%	27,196	56,547
NV	104,166,034	17,552,727	16.9%	4,102,806	32,170,097	34,714,000	37,281,937	6,727,555	810,624	10,014,548	20.9%	2.3%	938,531	0

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State	OWIP Obligation	OWIP Payments	OWIP % Paid	OWIP MTD	Obligation			Payments			% Paid			MTD Payments	
					Total EECBG	Total SEP	Total WAP	Total EECBG	Total SEP	Total WAP	Total EECBG	Total SEP	Total WAP	Total EECBG	Total WAP
NY	699,844,113	79,474,438	11.5%	7,364,321	172,047,600	123,110,000	394,686,513	4,830,497	1,066,770	73,575,170	2.8%	0.9%	18.6%	400,902	0
OH	445,162,709	92,794,797	20.8%	2,306,706	82,296,300	96,083,000	266,781,409	3,392,445	836,547	88,663,805	4.1%	0.9%	33.2%	938,098	40,978
OK	143,696,651	14,409,549	10.0%	1,106,566	36,089,455	46,704,000	60,903,196	2,081,015	446,923	11,881,612	5.8%	1.0%	19.5%	193,379	17,188
OR	115,345,736	11,019,997	9.6%	864,698	34,651,500	42,182,000	38,512,236	1,903,196	384,204	8,732,597	5.5%	0.9%	22.7%	96,994	0
PA	453,627,381	70,519,333	15.5%	4,372,864	101,150,319	99,684,000	252,793,062	11,065,952	4,614,258	54,839,123	10.9%	4.6%	21.7%	568,463	553,436
PR	116,521,383	2,533,887	2.2%	481,557	30,568,795	37,086,000	48,865,588	1,352,195	628,354	553,338	4.4%	1.7%	1.1%	213,588	261,969
RI	58,632,815	3,468,901	5.9%	338,029	14,599,200	23,960,000	20,073,615	708,560	167,640	2,592,702	4.9%	0.7%	12.9%	68,006	2,052
SC	144,065,671	20,424,336	14.5%	140,337	31,622,900	50,550,000	58,892,771	1,840,607	462,866	18,120,865	5.8%	0.9%	30.8%	140,337	0
SD	62,844,996	5,875,425	9.3%	849,742	14,648,700	23,709,000	24,487,296	1,540,419	582,584	3,752,423	10.5%	2.5%	15.3%	215,828	14,274
TN	198,558,751	28,424,475	14.3%	3,274,206	36,964,650	62,482,000	99,112,101	1,228,515	0	27,195,959	3.3%	0.0%	27.4%	215,828	0
TX	752,413,207	27,612,711	3.7%	-243,527	206,655,475	216,782,000	326,975,732	5,784,120	694,040	21,134,551	2.8%	0.3%	6.5%	-592,531	101,919
UT	100,715,003	10,262,787	10.2%	991,811	27,455,800	35,382,000	37,897,203	1,767,081	604,434	7,891,272	6.4%	1.7%	20.8%	49,497	0
VA	223,889,576	30,900,607	13.8%	2,929,980	59,754,300	70,001,000	94,134,276	2,161,892	8,667,989	20,070,726	3.6%	12.4%	21.3%	482,972	1,256,335
VI	31,686,929	1,311,865	4.1%	142,948	9,593,500	20,676,000	1,415,429	0	1,063,436	248,429	0.0%	5.1%	17.6%	0	122,030
VT	50,610,116	3,074,896	6.1%	121,152	11,768,540	21,999,000	16,842,576	298,753	158,898	2,617,245	2.5%	0.7%	15.5%	54,547	66,605
WA	179,102,074	23,844,726	13.3%	5,474,382	58,613,000	60,944,000	59,545,074	4,973,912	2,080,129	16,730,685	8.5%	3.4%	28.2%	1,640,179	250,604
WI	235,529,933	39,636,524	16.8%	1,360,823	38,539,800	55,488,000	141,502,133	2,302,806	732,123	36,601,595	6.0%	1.3%	25.9%	664,929	7,598
WV	84,333,674	15,147,187	18.0%	1,210,818	14,003,800	32,746,000	37,583,874	874,162	1,343,878	12,929,148	6.2%	4.1%	34.4%	69,117	396,813
WY	48,194,071	2,012,196	4.2%	516,003	12,057,600	24,941,000	11,195,471	277,448	136,016	1,598,731	2.3%	0.5%	14.3%	33,672	70,518
Report Sum:	10,531,243,362	1,186,114,751	11.3%	83,074,074	2,731,693,362	3,069,000,000	4,730,550,000	152,208,521	132,555,361	901,350,866	5.6%	4.3%	19.1%	14,659,768	6,585,288
															61,829,917

P.6